

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS
RATE ELEMENT: TRANSPORT FACILITY
COST SUB-ELEMENT: INTEROFFICE FACILITY - DS-1 TRANSPORT - COPPER
STATE: SOUTHWEST

<u>EQUIPMENT CATEGORY</u> <u>A</u>	<u>MATERIAL</u> <u>B</u>	<u>ENGINEERING</u> <u>C</u>	<u>INSTALLATION</u> <u>D</u>	<u>TOTAL</u> <u>E=B+C+D</u>
18 TOTAL COPPER TRANSPORT (PER ALM)	<u>\$1,031.82</u>	<u>\$115.27</u>	<u>\$218.35</u>	<u>\$1,365.44</u>

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT TERMINATION

COST SUB-ELEMENT: DIGITAL TERMINATION - VG - FIBER

STATE: SOUTHWEST

EQUIPMENT CATEGORY

A

MATERIAL ENGINEERING INSTALLATION TOTAL

B

C

D

E=B+C+D

18 TOTAL DIGITAL FIBER TERMINATION

\$25.79

\$2.47

\$4.29

\$32.55

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT TERMINATION

COST SUB-ELEMENT: ANALOG TERMINATION - VG - FIBER

STATE: SOUTHWEST

EQUIPMENT CATEGORY

A

MATERIAL ENGINEERING INSTALLATION TOTAL

B

C

D

E=B+C+D

18 TOTAL ANALOG FIBER TERMINATION

\$270.80

\$8.11

\$43.93

\$322.84

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT TERMINATION

COST SUB-ELEMENT: DIGITAL TERMINATION - VG - COPPER

STATE: SOUTHWEST

EQUIPMENT CATEGORY

A

MATERIAL ENGINEERING INSTALLATION TOTAL

B

C

D

E=B+C+D

18 TOTAL DIGITAL COPPER TERMINATION

\$17.41

\$5.36

\$15.61

\$38.38

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT TERMINATION

RATE SUB-ELEMENT: ANALOG TERMINATION - VG - COPPER

STATE: SOUTHWEST

EQUIPMENT CATEGORY
A

MATERIAL B	ENGINEERING C	INSTALLATION D	TOTAL E=B+C+D
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18 TOTAL ANALOG COPPER TERMINATION

<u>\$262.42</u>	<u>\$11.00</u>	<u>\$55.25</u>	<u>\$328.67</u>
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GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT TERMINATION

COST SUB-ELEMENT: DIRECT TANDEM EXPENSE

STATE: SOUTHWEST

SEPARATIONS CATEGORY A	DIRECT AMOUNT B	EXPENSE TO GROSS PLANT C
1 INVESTMENT		
2 2001 - GROSS PLANT - TANDEM	\$10,506,979	
3 1991 SWITCHED TRANSPORT TERMINATIONS	5,836,637,426	
4 * GROSS PLANT PER TERM (L2/L3*12)	\$0.02160216	
5 GROSS PLANT PER VG CKT (L4*10,560)	\$228.12	
6		
7 EXPENSES		
8 6210 - CENTRAL OFFICE SWITCHING (MTCE)	\$1,438,401	13.69%
9 6560 - DEPREC & AMORT - COE SWITCHING	747,455	7.11%
10 FEDERAL INCOME TAX	286,308	2.72%
11 STATE INCOME TAX	0	0.00%
12 TOTAL TAXES	286,308	2.72%
13 RETURN	555,774	5.29%
14		
15 TOTAL DIRECT TANDEM EXPENSE	\$3,027,938	28.82%

* Investment per termination is multiplied by 12 in order to blend with other annual investment amounts shown in the Investment and Cost Data workpapers originally filed with the Commission in support of the proposed below band rates. This spreadsheet requires that cost factors be applied to an amount with the resulting sum divided by twelve to produce a monthly cost.

GTE TELEPHONE OPERATIONS
INVESTMENT AND COST DATA

ORIGINAL 4/2/92
WORKPAPER TS-BB-4
PAGE 5 OF 8

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT FACILITY (PER MOU/PER AIRLINE MILE)

STATE: SOUTHWEST

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$0.00041211
2. Outside Plant Material	0.00134686
3. Total Material Cost (L1 + L2)	0.00175897
4. Net Salvage Value (Including Cost of Removal)	0.00001406
5. Net Material Cost (L3 - L4)	\$0.00174491

II. Installation Cost

6. Circuit Equipment Engineering Labor	\$0.00013626
7. Outside Plant Engineering Labor	0.00005751
8. Total Engineering Labor (L6 + L7)	0.00019377
9. Circuit Equipment Installation Labor	0.00018377
10. Outside Plant Installation Labor	0.00019283
11. Total Installation Labor (L9 + L10)	0.00037659
12. Total Installed Cost (L3 + L8 + L11)	\$0.00232933

LABOR HOURS	LABOR RATE
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0.00000336	\$40.61
0.00000166	34.72
0.00000515	35.68
0.00000561	34.35

III. Non-Reusable Cost

13. Engineering/Installation Labor Cost (L8 + L11)	\$0.00057036
14. Cost of Removal	0.00000000
15. Total Non-Reusable Cost (L13 + L14)	\$0.00057036

IV. Net Investment

16. Total Net Investment (L12 - L4)	\$0.00231527
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% of Total Investment

V. Total Annual Cost

17. Circuit Equipment Depreciation	\$0.00006853
18. Outside Plant Depreciation	0.00010765
19. Return	0.00010274
20. Federal and State Income Tax	0.00005292
21. Annual Nonrecoverable Cost	0.00007215
22. Maintenance	0.00010521
23. Administration	0.00000000
24. Other Taxes	0.00002345
25. Other	0.00000000
26. Total Annual Cost (L17...L25)	\$0.00053264

9.36%
6.74%
4.41%
2.27%
3.10%
4.52%
0.00%
1.01%
0.00%
22.87%

VI. Amounts to be Tariffed

27. Proposed Non-Recurring Charge	\$0.00000000
28. Monthly Cost (L26 / 12)	\$0.00004440
29. Proposed Charge per MOU per Airline Mile	\$0.00006060
30. Unit Cost/PV Analysis	\$0.00004440

% Unit Cost/ Price	% Unit Cost/ Unit Investment
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73.27%	22.87%
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GTE TELEPHONE OPERATIONS
INVESTMENT AND COST DATA

ORIGINAL 4/2/92
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PAGE 6 OF 8

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT FACILITY (@ DS-1 LEVEL - FOR ILLUSTRATIVE PURPOSES)

STATE: SOUTHWEST

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$1,865.38
2. Outside Plant Material	6,096.47
3. Total Material Cost (L1 + L2)	7,961.86
4. Net Salvage Value (Including Cost of Removal)	63.62
5. Net Material Cost (L3 - L4)	\$7,898.24

II. Installation Cost

		LABOR HOURS	LABOR RATE
6. Circuit Equipment Engineering Labor	\$616.77	15.19	\$40.61
7. Outside Plant Engineering Labor	260.31	7.50	34.72
8. Total Engineering Labor (L6 + L7)	877.08		
9. Circuit Equipment Installation Labor	831.82	23.31	35.68
10. Outside Plant Installation Labor	872.82	25.41	34.35
11. Total Installation Labor (L9 + L10)	1,704.63		
12. Total Installed Cost (L3 + L8 + L11)	\$10,543.57		

III. Non-Reusable Cost

13. Engineering/Installation Labor Cost (L8 + L11)	\$2,581.71
14. Cost of Removal	0.00
15. Total Non-Reusable Cost (L13 + L14)	\$2,581.71

IV. Net Investment

16. Total Net Investment (L12 - L4)	\$10,479.95
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V. Total Annual Cost

		% of Total Investment
17. Circuit Equipment Depreciation	\$310.19	9.36%
18. Outside Plant Depreciation	487.27	6.74%
19. Return	465.03	4.41%
20. Federal and State Income Tax	239.54	2.27%
21. Annual Nonrecoverable Cost	326.57	3.10%
22. Maintenance	476.24	4.52%
23. Administration	0.00	0.00%
24. Other Taxes	106.13	1.01%
25. Other	0.00	0.00%
26. Total Annual Cost (L17...L25)	\$2,410.97	22.87%

VI. Amounts to be Tariffed

		% Unit Cost/ Price	% Unit Cost/ Unit Investment
27. Proposed Non-Recurring Charge	\$0.00		
28. Monthly Cost (L26 / 12)	\$200.91		
29. Proposed Monthly Recurring Charge	N/A		
30. Unit Cost/PV Analysis	\$200.91	N/A	22.87%

GTE TELEPHONE OPERATIONS
INVESTMENT AND COST DATA

ORIGINAL 4/2/92
WORKPAPER TS-BB-5
PAGE 5 OF 8

SERVICE: SWITCHED ACCESS
RATE ELEMENT: TRANSPORT TERMINATION (PER MOU/PER TERM)

STATE: SOUTHWEST

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$0.01068319
2. Outside Plant Material	0.00038260
3. Total Material Cost (L1 + L2)	0.01106580
4. Net Salvage Value (Including Cost of Removal)	0.00014015
5. Net Material Cost (L3 - L4)	\$0.01092564

II. Installation Cost

		LABOR HOURS	LABOR RATE
6. Circuit Equipment Engineering Labor	\$0.00104744	0.00002579	\$40.61
7. Outside Plant Engineering Labor	0.00007080	0.00000204	34.72
8. Total Engineering Labor (L6 + L7)	0.00111824		
9. Circuit Equipment Installation Labor	0.00228309	0.00006399	35.68
10. Outside Plant Installation Labor	0.00017757	0.00000517	34.35
11. Total Installation Labor (L9 + L10)	0.00246066		
12. Installed Cost - Transport (L3 + L8 + L11)	0.01464469		
13. Installed Cost - Tandem	0.02160216		
14. Total Installed Cost (L12 + L13)	\$0.03624685		

III. Non-Reusable Cost

15. Engineering/Installation Labor Cost (L8 + L11)	\$0.00357889
16. Cost of Removal	0.00000000
17. Total Non-Reusable Cost (L15 + L16)	\$0.00357889

IV. Net Investment

18. Total Net Investment (L14 - L4)	\$0.03610670
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V. Total Annual Cost

		% of Total Investment
19. Circuit Equipment Depreciation	\$0.00284760	8.00%
20. Outside Plant Depreciation	0.00004253	6.74%
21. Return	0.00197419	5.45%
22. Federal and State Income Tax	0.00101561	2.80%
23. Annual Nonrecoverable Cost	0.00046745	1.29%
24. Maintenance	0.00157291	4.34%
25. Administration	0.00000000	0.00%
26. Other Taxes	0.00014631	0.40%
27. Other	0.00201980	5.57%
28. Total Annual Cost (L19...L28)	\$0.01008640	27.83%

VI. Amounts to be Tariffed

		% Unit Cost/ Price	% Unit Cost/ Unit Investment
29. Proposed Non-Recurring Charge	\$0.00000000		
30. Monthly Cost Per Term (L28 / 12)	\$0.00084050		
31. Proposed Charge per MOU per Term	\$0.00462150		
32. Unit Cost/PV Analysis	\$0.00084050	18.19%	27.83%

GTE TELEPHONE OPERATIONS
INVESTMENT AND COST DATA

REVISED 7/27/92
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PAGE 5 OF 8

SERVICE: SWITCHED ACCESS
RATE ELEMENT: TRANSPORT TERMINATION (PER MOU/PER TERM)

STATE: SOUTHWEST

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$0.01068319
2. Outside Plant Material	0.00038260
3. Total Material Cost (L1 + L2)	0.01106580
4. Net Salvage Value (Including Cost of Removal)	0.00014015
5. Net Material Cost (L3 - L4)	\$0.01092564

II. Installation Cost

6. Circuit Equipment Engineering Labor	\$0.00104744
7. Outside Plant Engineering Labor	0.00005527
8. Total Engineering Labor (L6 + L7)	0.00110271
9. Circuit Equipment Installation Labor	0.00228309
10. Outside Plant Installation Labor	0.00019310
11. Total Installation Labor (L9 + L10)	0.00247619
12. Installed Cost - Transport (L3 + L8 + L11)	0.01464469
13. Installed Cost - Tandem	0.02160216
14. Total Installed Cost (L12 + L13)	\$0.03624685

LABOR HOURS	LABOR RATE
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0.00002579	\$40.61
0.00000159	34.72
0.00006399	35.68
0.00000562	34.35

III. Non-Reusable Cost

15. Engineering/Installation Labor Cost (L8 + L11)	\$0.00357889
16. Cost of Removal	0.00000000
17. Total Non-Reusable Cost (L15 + L16)	\$0.00357889

IV. Net Investment

18. Total Net Investment (L14 - L4)	\$0.03610670
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% of Total Investment

V. Total Annual Cost

19. Circuit Equipment Depreciation	\$0.00284760
20. Outside Plant Depreciation	0.00004253
21. Return	0.00197419
22. Federal and State Income Tax	0.00101561
23. Annual Nonrecoverable Cost	0.00046745
24. Maintenance	0.00157291
25. Administration	0.00000000
26. Other Taxes	0.00014631
27. Other	0.00201980
28. Total Annual Cost (L19...L28)	\$0.01008640

8.00%
6.74%
5.45%
2.80%
1.29%
4.34%
0.00%
0.40%
5.57%
27.83%

VI. Amounts to be Tariffed

29. Proposed Non-Recurring Charge	\$0.00000000
30. Monthly Cost Per Term (L28 / 12)	\$0.00084050
31. Proposed Charge per MOU per Term	\$0.00462150
32. Unit Cost/PV Analysis	\$0.00084050

% Unit Cost/ Price	% Unit Cost/ Unit Investment
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18.19%	27.83%
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GTE TELEPHONE OPERATIONS
INVESTMENT AND COST DATA

ORIGINAL 4/2/92
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SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT TERMINATION (@ VG LEVEL - FOR ILLUSTRATIVE PURPOSES)

STATE: SOUTHWEST

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$112.81
2. Outside Plant Material	4.04
3. Total Material Cost (L1 + L2)	116.85
4. Net Salvage Value (Including Cost of Removal)	1.48
5. Net Material Cost (L3 - L4)	\$115.37

II. Installation Cost

		LABOR HOURS	LABOR RATE
6. Circuit Equipment Engineering Labor	\$11.06	0.27	\$40.61
7. Outside Plant Engineering Labor	0.75	0.02	34.72
8. Total Engineering Labor (L6 + L7)	11.81		
9. Circuit Equipment Installation Labor	24.11	0.68	35.68
10. Outside Plant Installation Labor	1.88	0.05	34.35
11. Total Installation Labor (L9 + L10)	25.98		
12. Installed Cost - Transport (L3 + L8 + L11)	154.65		
13. Installed Cost - Tandem	228.12		
14. Total Installed Cost (L12 + L13)	\$382.77		

III. Non-Reusable Cost

15. Engineering/Installation Labor Cost (L8 + L11)	\$37.79
16. Cost of Removal	0.00
17. Total Non-Reusable Cost (L15 + L16)	\$37.79

IV. Net Investment

18. Total Net Investment (L14 - L4)	\$381.29
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V. Total Annual Cost

		% of Total Investment
19. Circuit Equipment Depreciation	\$30.07	8.00%
20. Outside Plant Depreciation	0.45	6.74%
21. Return	20.85	5.45%
22. Federal and State Income Tax	10.72	2.80%
23. Annual Nonrecoverable Cost	4.94	1.29%
24. Maintenance	16.61	4.34%
25. Administration	0.00	0.00%
26. Other Taxes	1.55	0.40%
27. Other	21.33	5.57%
28. Total Annual Cost (L19...L28)	\$106.51	27.83%

VI. Amounts to be Tariffed

		% Unit Cost/ Price	% Unit Cost/ Unit Investment
29. Proposed Non-Recurring Charge	\$0.00		
30. Monthly Cost (L28 / 12)	\$8.88		
31. Proposed Monthly Recurring Charge	N/A		
32. Unit Cost/PV Analysis	\$8.88	N/A	27.83%

GTE TELEPHONE OPERATIONS
INVESTMENT AND COST DATA

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PAGE 6 OF 8

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT TERMINATION (@ VG LEVEL - FOR ILLUSTRATIVE PURPOSES)

STATE: SOUTHWEST

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$112.81
2. Outside Plant Material	4.04
3. Total Material Cost (L1 + L2)	116.85
4. Net Salvage Value (Including Cost of Removal)	1.48
5. Net Material Cost (L3 - L4)	\$115.37

II. Installation Cost

6. Circuit Equipment Engineering Labor	\$11.06
7. Outside Plant Engineering Labor	0.58
8. Total Engineering Labor (L6 + L7)	11.64
9. Circuit Equipment Installation Labor	24.11
10. Outside Plant Installation Labor	2.04
11. Total Installation Labor (L9 + L10)	26.15
12. Installed Cost - Transport (L3 + L8 + L11)	154.65
13. Installed Cost - Tandem	228.12
14. Total Installed Cost (L12 + L13)	\$382.77

LABOR HOURS	LABOR RATE
0.27	\$40.61
0.02	34.72
0.68	35.68
0.06	34.35

III. Non-Reusable Cost

15. Engineering/Installation Labor Cost (L8 + L11)	\$37.79
16. Cost of Removal	0.00
17. Total Non-Reusable Cost (L15 + L16)	\$37.79

IV. Net Investment

18. Total Net Investment (L14 - L4)	\$381.29
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V. Total Annual Cost

19. Circuit Equipment Depreciation	\$30.07
20. Outside Plant Depreciation	0.45
21. Return	20.85
22. Federal and State Income Tax	10.72
23. Annual Nonrecoverable Cost	4.94
24. Maintenance	16.61
25. Administration	0.00
26. Other Taxes	1.55
27. Other	21.33
28. Total Annual Cost (L19...L28)	\$106.51

% of
Total
Investment

8.00%
6.74%
5.45%
2.80%
1.29%
4.34%
0.00%
0.40%
5.57%
27.83%

VI. Amounts to be Tariffed

29. Proposed Non-Recurring Charge	\$0.00
30. Monthly Cost (L28 / 12)	\$8.88
31. Proposed Monthly Recurring Charge	N/A
32. Unit Cost/PV Analysis	\$8.88

% Unit Cost/ Price	% Unit Cost/ Unit Investment
N/A	27.83%

RETURN AND INCOME TAX CALCULATIONS

PAGE 1 OF 2

RATE ELEMENT: TRANSPORT FACILITY

STATE: SOUTHWEST

		REVENUE LIFE	AVERAGE PER YEAR				
TOTAL MATERIAL	\$7,961.96						
LESS: NET SALVAGE	63.62						
NET MATERIAL COST	\$7,898.34						
TOTAL ENGIN & INST	241.69						
TOTAL	\$8,140.03	12	\$678.34				
	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7
BEGINNING BALANCE	\$8,203.66	\$7,525.32	\$6,846.98	\$6,168.65	\$5,490.31	\$4,811.98	\$4,133.64
LESS: AVE PER YEAR	678.34	678.34	678.34	678.34	678.34	678.34	678.34
ENDING BALANCE	\$7,525.32	\$6,846.98	\$6,168.65	\$5,490.31	\$4,811.98	\$4,133.64	\$3,455.30
AVERAGE BALANCE	\$7,864.49	\$7,186.15	\$6,507.82	\$5,829.48	\$5,151.14	\$4,472.81	\$3,794.47
X RATE OF RETURN	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%
RETURN	\$884.75	\$808.44	\$732.13	\$655.82	\$579.50	\$503.19	\$426.88
RETURN	\$884.75	\$808.44	\$732.13	\$655.82	\$579.50	\$503.19	\$426.88
X FIT FACTOR	0.5151	0.5151	0.5151	0.5151	0.5151	0.5151	0.5151
FIT	\$455.74	\$416.43	\$377.12	\$337.81	\$298.50	\$259.19	\$219.88
RETURN	\$884.75	\$808.44	\$732.13	\$655.82	\$579.50	\$503.19	\$426.88
X SIT FACTOR	0	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
SIT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL INCOME TAXES	\$455.74	\$416.43	\$377.12	\$337.81	\$298.50	\$259.19	\$219.88

RETURN AND INCOME TAX CALCULATIONS

PAGE 2 OF 2

RATE ELEMENT: TRANSPORT FACILITY

STATE: SOUTHWEST

	YR 8	YR 9	YR 10	YR 11	YR 12	AVERAGE PER YEAR
BEGINNING BALANCE	\$3,455.30	\$2,776.97	\$2,098.63	\$1,420.30	\$741.96	
LESS: AVE PER YEAR	678.34	678.34	678.34	678.34	678.34	
ENDING BALANCE	\$2,776.97	\$2,098.63	\$1,420.30	\$741.96	\$63.62	
AVERAGE BALANCE	\$3,116.14	\$2,437.80	\$1,759.46	\$1,081.13	\$402.79	
X RATE OF RETURN	11.25%	11.25%	11.25%	11.25%	11.25%	
RETURN	\$350.57	\$274.25	\$197.94	\$121.63	\$45.31	\$465.03
RETURN	\$350.57	\$274.25	\$197.94	\$121.63	\$45.31	
X FIT FACTOR	0.5151	0.5151	0.5151	0.5151	0.5151	
FIT	\$180.58	\$141.27	\$101.96	\$62.65	\$23.34	
RETURN	\$350.57	\$274.25	\$197.94	\$121.63	\$45.31	
X SIT FACTOR	0	0	0	0	0	
SIT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
TOTAL INCOME TAXES	\$180.58	\$141.27	\$101.96	\$62.65	\$23.34	\$239.54

PAGE 1 OF 1

STATE: SOUTHWEST

		REVENUE LIFE	AVERAGE PER YEAR					
TOTAL MATERIAL	\$116.85							
LESS: NET SALVAGE	1.48							
NET MATERIAL COST	\$115.37							
TOTAL ENGIN & INST	37.79							
TOTAL	\$153.16	7	\$21.88					
	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	AVERAGE PER YEAR
BEGINNING BALANCE	\$154.65	\$132.77	\$110.89	\$89.01	\$67.13	\$45.25	\$23.37	
LESS: AVE PER YEAR	21.88	21.88	21.88	21.88	21.88	21.88	21.88	
ENDING BALANCE	\$132.77	\$110.89	\$89.01	\$67.13	\$45.25	\$23.37	\$1.48	
AVERAGE BALANCE	\$143.71	\$121.83	\$99.95	\$78.07	\$56.19	\$34.31	\$12.43	
X RATE OF RETURN	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	
RETURN	\$16.17	\$13.71	\$11.24	\$8.78	\$6.32	\$3.86	\$1.40	\$8.78
RETURN	\$16.17	\$13.71	\$11.24	\$8.78	\$6.32	\$3.86	\$1.40	
X FIT FACTOR	0.5151	0.5151	0.5151	0.5151	0.5151	0.5151	0.5151	
FIT	\$8.33	\$7.06	\$5.79	\$4.52	\$3.26	\$1.99	\$0.72	
RETURN	\$16.17	\$13.71	\$11.24	\$8.78	\$6.32	\$3.86	\$1.40	
X SIT FACTOR	0	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
SIT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
TOTAL INCOME TAXES	\$8.33	\$7.06	\$5.79	\$4.52	\$3.26	\$1.99	\$0.72	\$4.52

GTE TELEPHONE OPERATIONS

RATE ELEMENT INVESTMENT SUMMARY

TRANSPORT FACILITY (PER MOU/PER AIRLINE MILE)

WASHINGTON/OREGON/CALIFORNIA—WEST COAST

RATE SUBELEMENT A	SOURCE PAGE B	MATERIAL C	ENGINEERING D	INSTALLATION E	TOTAL F=C+D+E
1 ENTRANCE FACILITY					
2					
3 DS-1 FIBER SAL (per mou/mile)	SUM 1.1, LN 3*	\$0.00035658	\$0.00003012	\$0.00004372	\$0.00043043
4 % FIBER		90.00%	90.00%	90.00%	90.00%
5 FIBER SAL PROPORTION	LN 3*LN 4	0.00032093	0.00002711	0.00003935	0.00038738
6					
7 DS-1 COPPER SAL (per mou/mile)	SUM 1.1, LN 7*	0.00054478	0.00024694	0.00018768	0.00097940
8 % COPPER		10.00%	10.00%	10.00%	10.00%
9 COPPER SAL PROPORTION	LN 7*LN 8	0.00005448	0.00002469	0.00001877	0.00009794
10					
11 TOTAL ENTRANCE FACILITY	LN 5+LN 9	0.00037540	0.00005181	0.00005811	0.00048533
12					
13 % RECOVERED BY TRANSPORT FACILITY		15.00%	15.00%	15.00%	15.00%
14					
15 PROPORTION ENTRANCE FACILITY AMOUNT	LN 11*LN 13	\$0.00005631	\$0.00000777	\$0.00000872	\$0.00007280
16					
17					
18 INTEROFFICE FACILITY					
19					
20 DS-1 FIBER TRANSPORT (per min/mile)	SUM 1.1, LN 20*	\$0.00007386	\$0.00000533	\$0.00002813	\$0.00010732
21 % FIBER		70.00%	70.00%	70.00%	70.00%
22 FIBER TRANSPORT PROPORTION	LN 20*LN 21	0.00005170	0.00000373	0.00001969	0.00007513
23					
24 DS-1 COPPER TRANSPORT (per min/mile)	SUM 1.1, LN 24*	0.00371634	0.00042658	0.00065383	0.00479676
25 % COPPER		30.00%	30.00%	30.00%	30.00%
26 COPPER TRANSPORT PROPORTION	LN 24*LN 25	0.00111490	0.00012798	0.00019615	0.00143903
27					
28 TOTAL INTEROFFICE FACILITY	LN 22+LN 26	\$0.00116661	\$0.00013170	\$0.00021584	\$0.00151415
29					
30					
31 TOTAL INVESTMENT — TRANSPORT FACILITY	LN 15+LN 28	\$0.00122292	\$0.00013947	\$0.00022456	\$0.00158695
32 (per mou/mile)					
33					
34 REFERENCE TO WORKPAPER TS-BB-4		PG 7, LN 3	PG 7, LN 8	PG 7, LN 11	PG 7, LN 12

* Formula for conversion from DS-1 facilities:

(DS-1 Cost/24 Trunks/[16.23 miles]/ Usage per Trunk)*12
(DS-1 Cost/24/[16.23]/10560*12)*12

Example:

(A) DS-1 Fiber Sal \$1,466.75 Material investment at DS-1 level: LN 3, SUM 1.1.
(B) = (A) / 24 61.11 Cost per circuit based on 24 circuits in 1 DS-1.
(C) = (B) / 16.23 3.42 Entrance Fac cost per mile based on study area ALOH.
(C) = (B) / 10,560 \$0.00032404 Investment per MOU based on 28.8 busy hour CCS.

GTE TELEPHONE OPERATIONS

RATE ELEMENT INVESTMENT SUMMARY

TRANSPORT FACILITY (@ DS-1 LEVEL)

WASHINGTON/OREGON/CALIFORNIA-WEST COAST

RATE SUBELEMENT A	DETAIL SOURCE	MATERIAL C	ENGINEERING D	INSTALLATION E	TOTAL F=C+D+E
	PAGE B				
1 ENTRANCE FACILITY					
2					
3 DS-1 FIBER SAL	PG 1, LN 18	\$1,466.75	\$123.91	\$179.83	\$1,770.49
4 % FIBER		90.00%	90.00%	90.00%	90.00%
5 FIBER SAL PROPORTION	LN 3*LN 4	1,320.08	111.52	161.85	1,593.44
6					
7 DS-1 COPPER SAL	PG 2, LN 18	2,240.87	1,015.76	771.99	4,028.62
8 % COPPER		10.00%	10.00%	10.00%	10.00%
9 COPPER SAL PROPORTION	LN 7*LN 8	224.09	101.58	77.20	402.86
10					
11 TOTAL ENTRANCE FACILITY	LN 5+LN 9	1,544.16	213.09	239.05	1,996.30
12					
13 % RECOVERED BY TRANSPORT FACILITY		15.00%	15.00%	15.00%	15.00%
14					
15 PROPORTION ENTRANCE FACILITY AMOUNT	LN 11*LN 13	\$231.62	\$31.96	\$35.86	\$299.45
16					
17					
18 INTEROFFICE FACILITY					
19					
20 DS-1 FIBER TRANSPORT (PER MILE)	PG 3, LN 18	\$18.72	\$1.35	\$7.13	\$27.20
21 % FIBER		70.00%	70.00%	70.00%	70.00%
22 FIBER TRANSPORT PROPORTION	LN 20*LN 21	13.10	0.95	4.99	19.04
23					
24 DS-1 COPPER TRANSPORT (PER MILE)	PG 4, LN 18	941.87	108.11	165.71	1,215.69
25 % COPPER		30.00%	30.00%	30.00%	30.00%
26 COPPER TRANSPORT PROPORTION	LN 24*LN 25	282.56	32.43	49.71	364.71
27					
28 TOTAL INTEROFFICE FACILITY	LN 22+LN 26	295.67	33.38	54.70	383.75
29					
30 AVERAGE AIRLINE MILES		16.23	16.23	16.23	16.23
31					
32 TOTAL INTEROFFICE FACILITY	LN 38*LN 30	\$4,798.64	\$541.74	\$887.83	\$6,228.21
33					
34					
35 TOTAL INVESTMENT - TRANSPORT FACILITY	LN 15+LN 32	\$5,030.27	\$573.71	\$923.69	\$6,527.66
36					
37 REFERENCE TO WORKPAPER TS-BB-4		PG 8, LN 3	PG 8, LN 8	PG 8, LN 11	PG 8, LN 12

GTE TELEPHONE OPERATIONS

RATE ELEMENT INVESTMENT SUMMARY

TRANSPORT TERMINATION (PER MOU/PER TERM)

WASHINGTON/OREGON/CALIFORNIA-WEST COAST

RATE SUBELEMENT A	SOURCE PAGE B	MATERIAL C	ENGINEERING D	INSTALLATION E	TOTAL F=C+D+E
1 ENTRANCE FACILITY					
2					
3 DS-1 FIBER SAL	SUM 2.1, LN 3/*	\$0.13889678	\$0.01173390	\$0.01702936	\$0.16766004
4 % FIBER		90.00%	90.00%	90.00%	90.00%
5 FIBER SAL PROPORTION	LN 3*LN 4	0.12500710	0.01056051	0.01532642	0.15089403
6					
7 DS-1 COPPER SAL	SUM 2.1, LN 7/*	0.21220360	0.09618910	0.07310511	0.38149781
8 % COPPER		10.00%	10.00%	10.00%	10.00%
9 COPPER SAL PROPORTION	LN 7*LN 8	0.02	0.01	0.01	0.04
10					
11 TOTAL ENTRANCE FACILITY	LN 5+LN 9	0.14622746	0.02017942	0.02263693	0.18904381
12					
13 % RECOVERED BY TRANSPORT TERMINATION		85.00%	85.00%	85.00%	85.00%
14					
15 PROPORTION ENTRANCE FACILITY AMOUNT	LN 11*LN 13	\$0.12429334	\$0.01715251	\$0.01924139	\$0.16068724
16					
17 ENTRANCE FACILITY AT VG LEVEL	LN 15/24	\$0.00517889	\$0.00071469	\$0.00080172	\$0.00669530
18					
19					
20 TRANSPORT TERMINATIONS (PER TERM)					
21					
22 FIBER VG TERM - DIGITAL	SUM 2.1, LN 22/*	\$0.00286778	\$0.00024243	\$0.00034171	\$0.00345192
23 % DIGITAL		76.00%	76.00%	76.00%	76.00%
24 FIBER/DIGITAL COST	LN 22*LN 23	0.00217951	0.00018425	0.00025970	0.00262346
25					
26 FIBER VG TERM - ANALOG	SUM 2.1, LN 26/*	0.03011589	0.00079613	0.00349929	0.03441130
27 % ANALOG		24.00%	24.00%	24.00%	24.00%
28 FIBER/ANALOG COST	LN 26*LN 27	0.00722781	0.00019107	0.00083983	0.00825871
29					
30 TOTAL FIBER INVESTMENT	LN 24+LN 28	\$0.00940732	\$0.00037532	\$0.00109953	\$0.01088217
31					
32					
33 COPPER VG TERM - DIGITAL	SUM 2.1, LN 33/*	\$0.00193667	\$0.00052583	\$0.00124894	\$0.00371145
34 % DIGITAL		76.00%	76.00%	76.00%	76.00%
35 COPPER/DIGITAL COST	LN 34*LN 34	0.00147187	0.00039963	0.00094920	0.00282070
36					
37 COPPER VG TERM - ANALOG	SUM 2.1, LN 37/*	0.02918478	0.00107984	0.00440686	0.03467148
38 % ANALOG		24.00%	24.00%	24.00%	24.00%
39 COPPER/ANALOG COST	LN 37*LN 38	0.00700435	0.00025916	0.00105765	0.00832116
40					
41 TOTAL COPPER INVESTMENT	LN 35+LN 39	\$0.00847622	\$0.00065880	\$0.00200684	\$0.01114186
42					
43					
44 % FIBER		70.00%	70.00%	70.00%	70.00%
45 % COPPER		30.00%	30.00%	30.00%	30.00%
46					
47 FIBER TRANSPORT TERMINATION COST	LN 30*LN 44	0.00658513	0.00026272	0.00076967	0.00761752
48 COPPER TRANSPORT TERMINATION COST	LN 41*LN 45	0.00254287	0.00019764	0.00060205	0.00334256
49					
50 TOTAL TRANSPORT TERMINATION	LN 47+LN 48	\$0.00912799	\$0.00046036	\$0.00137172	\$0.01096008
51					
52 TOTAL TERMINATION BEFORE TANDEM	LN 17+LN 50	\$0.01430688	\$0.00117505	\$0.00217345	\$0.01765538
53					
54 DIRECT TANDEM INVESTMENT	PG 9, LN 5				0.04782612
55					
56 TOTAL TRANSPORT TERMINATION	LN 52+LN 54	\$0.01430688	\$0.00117505	\$0.00217345	\$0.06548150
57 INCLUDING TANDEM INVESTMENT					
58					
59 REFERENCE TO WORKPAPER TS-BB-5		PG 7, LN 3	PG 7, LN 8	PG 7, LN 11	PG 7, LN 12

* Formula for conversion from VG facilities:

VG Investment/10560 MOUS

Example:

Fiber Term - Digital \$30.28 Investment at VG level - Line 22, SUM 2.1.
\$28.15 / 10,560 \$0.00286778 Investment per MOU based on 28.8 CCS.

GTE TELEPHONE OPERATIONS

RATE ELEMENT INVESTMENT SUMMARY

TRANSPORT TERMINATION (@ VG LEVEL)

WASHINGTON/OREGON/CALIFORNIA—WEST COAST

RATE SUBELEMENT A		DETAIL SOURCE PAGE B	MATERIAL C	ENGINEERING D	INSTALLATION E	TOTAL F=C+D+E
1	ENTRANCE FACILITY					
2						
3	DS-1 FIBER SAL	PG 1, LN 18	\$1,466.75	\$123.91	\$179.83	\$1,770.49
4	% FIBER		90.00%	90.00%	90.00%	90.00%
5	FIBER SAL PROPORTION	LN 3*LN 4	1,320.08	111.52	161.85	1,593.44
6						
7	DS-1 COPPER SAL	PG 2, LN 18	2,240.87	1,015.76	771.99	\$4,028.62
8	% COPPER		10.00%	10.00%	10.00%	10.00%
9	COPPER SAL PROPORTION	LN 7*LN 8	224.09	101.58	77.20	402.86
10						
11	TOTAL ENTRANCE FACILITY	LN 5+LN 9	1,544.16	213.09	239.05	1,996.30
12						
13	% RECOVERED BY TRANSPORT TERMINATION		85.00%	85.00%	85.00%	85.00%
14						
15	PROPORTION ENTRANCE FACILITY AMOUNT	LN 11*LN 13	\$1,312.54	\$181.13	\$203.19	\$1,696.86
16						
17	ENTRANCE FACILITY AT VG LEVEL	LN 15/24	\$54.69	\$7.55	\$8.47	\$70.70
18						
19						
20	TRANSPORT TERMINATIONS (PER TERM)					
21						
22	FIBER VG TERM - DIGITAL	PG 5, LN 18	\$30.28	\$2.56	\$3.61	\$36.45
23	% DIGITAL		76.00%	76.00%	76.00%	76.00%
24	FIBER/DIGITAL COST	LN 22*LN 23	23.02	1.95	2.74	27.70
25						
26	FIBER VG TERM - ANALOG	PG 6, LN 18	318.02	8.41	36.95	363.38
27	% ANALOG		24.00%	24.00%	24.00%	24.00%
28	FIBER/ANALOG COST	LN 26*LN 27	76.33	2.02	8.87	87.21
29						
30	TOTAL FIBER INVESTMENT	LN 24+LN 28	\$99.34	\$3.96	\$11.61	\$114.92
31						
32						
33	COPPER VG TERM - DIGITAL	PG 7, LN 18	\$20.45	\$5.55	\$13.19	\$39.19
34	% DIGITAL		76.00%	76.00%	76.00%	76.00%
35	COPPER/DIGITAL COST	LN 34*LN 34	15.54	4.22	10.02	29.79
36						
37	COPPER VG TERM - ANALOG	PG 8, LN 18	308.19	11.40	46.54	366.13
38	% ANALOG		24.00%	24.00%	24.00%	24.00%
39	COPPER/ANALOG COST	LN 37*LN 38	73.97	2.74	11.17	87.87
40						
41	TOTAL COPPER INVESTMENT	LN 35+LN 39	\$89.51	\$6.96	\$21.19	\$117.66
42						
43						
44	% FIBER		70.00%	70.00%	70.00%	70.00%
45	% COPPER		30.00%	30.00%	30.00%	30.00%
46						
47	FIBER TRANSPORT TERMINATION COST	LN 30*LN 44	69.54	2.77	8.13	80.44
48	COPPER TRANSPORT TERMINATION COST	LN 41*LN 45	26.85	2.09	6.36	35.30
49						
50	TOTAL TRANSPORT TERMINATION	LN 47+LN 48	\$96.39	\$4.86	\$14.49	\$115.74
51						
52	TOTAL TERMINATION BEFORE TANDEM	LN 17+LN 50	\$151.08	\$12.41	\$22.95	\$186.44
53						
54	DIRECT TANDEM INVESTMENT	PG 9, LN 5				505.08
55						
56	TOTAL TRANSPORT TERMINATION	LN 52+LN 54	\$151.08	\$12.41	\$22.95	\$691.52
57	INCLUDING TANDEM INVESTMENT					
58						
59	REFERENCE TO WORKPAPER TS-BB-5		PG 8, LN 3	PG 8, LN 8	PG 8, LN 11	PG 8, LN 12

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT FACILITY/TRANSPORT TERMINATION

COST SUB-ELEMENT: ENTRANCE FACILITY - DS-1 SAL - FIBER

STATE: WASHINGTON/OREGON/CALIFORNIA-WEST COAST

<u>EQUIPMENT CATEGORY</u> <u>A</u>	<u>MATERIAL</u> <u>B</u>	<u>ENGINEERING</u> <u>C</u>	<u>INSTALLATION</u> <u>D</u>	<u>TOTAL</u> <u>E=B+C+D</u>
18 TOTAL FIBER ENTRANCE FACILITY	<u>\$1,466.75</u>	<u>\$123.91</u>	<u>\$179.83</u>	<u>\$1,770.49</u>

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT FACILITY/TRANSPORT TERMINATION

COST SUB-ELEMENT: ENTRANCE FACILITY - DS-1 SAL - COPPER

STATE: WASHINGTON/OREGON/CALIFORNIA-WEST COAST

<u>EQUIPMENT CATEGORY</u>	<u>MATERIAL</u>	<u>ENGINEERING</u>	<u>INSTALLATION</u>	<u>TOTAL</u>
<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E=B+C+D</u>
18 TOTAL COPPER ENTRANCE FACILITY	<u>\$2,240.87</u>	<u>\$1,015.76</u>	<u>\$771.99</u>	<u>\$4,028.62</u>

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS
RATE ELEMENT: TRANSPORT FACILITY
COST SUB-ELEMENT: INTEROFFICE FACILITY - DS-1 TRANSPORT - FIBER
STATE: WASHINGTON/OREGON/CALIFORNIA-WEST COAST

<u>EQUIPMENT CATEGORY</u>	<u>MATERIAL</u>	<u>ENGINEERING</u>	<u>INSTALLATION</u>	<u>TOTAL</u>
<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E=B+C+D</u>
18 TOTAL FIBER TRANSPORT (PER ALM)	<u>\$18.72</u>	<u>\$1.35</u>	<u>\$7.13</u>	<u>\$27.20</u>

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT FACILITY

COST SUB-ELEMENT: INTEROFFICE FACILITY - DS-1 TRANSPORT - COPPER

STATE: WASHINGTON/OREGON/CALIFORNIA-WEST COAST

EQUIPMENT CATEGORY

A

MATERIAL ENGINEERING INSTALLATION

BCD

TOTAL

E=B+C+D**18 TOTAL COPPER TRANSPORT (PER ALM)****\$941.87****\$108.11****\$165.71****\$1,215.69**

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT TERMINATION

COST SUB-ELEMENT: DIGITAL TERMINATION - VG - FIBER

STATE: WASHINGTON/OREGON/CALIFORNIA-WEST COAST

EQUIPMENT CATEGORY A	MATERIAL B	ENGINEERING C	INSTALLATION D	TOTAL E=B+C+D
18 TOTAL DIGITAL FIBER TERMINATION	<u>\$30.28</u>	<u>\$2.56</u>	<u>\$3.61</u>	<u>\$36.45</u>

GTE TELEPHONE OPERATIONS

INVESTMENT DETAIL

SERVICE: SWITCHED ACCESS

RATE ELEMENT: TRANSPORT TERMINATION

COST SUB-ELEMENT: ANALOG TERMINATION - VG - FIBER

STATE: WASHINGTON/OREGON/CALIFORNIA-WEST COAST

EQUIPMENT CATEGORY	MATERIAL	ENGINEERING	INSTALLATION	TOTAL
A	B	C	D	E=B+C+D
18 TOTAL ANALOG FIBER TERMINATION	<u>\$318.02</u>	<u>\$8.41</u>	<u>\$36.95</u>	<u>\$363.38</u>